



Office of the Administrative Director — Financial Services Division

THE JUDICIARY • STATE OF HAWAII • 1111 ALAKEA STREET, 6TH FLOOR • HONOLULU, HAWAII 96813-2807
TELEPHONE (808) 538-5805 • FAX (808) 538-5802

Rodney A. Maile
ADMINISTRATIVE DIRECTOR

February 4, 2013

Iris T. Murayama
DEPUTY ADMINISTRATIVE DIRECTOR

Mr. Bruce Cummings
CEO
Gila LLC dba Municipal Services Bureau
8325 Tuscany Way, Bldg. 4
Austin, Texas 78754

Dear Mr. Cummings:

NOTICE TO PROCEED

You are hereby notified that the official commencement date to proceed with your work is **February 4, 2013** for **COLLECTION OF DELINQUENT ACCOUNTS OWED TO THE JUDICIARY, STATE OF HAWAII**, in response to our Request for Proposal No. J13080. An executed copy of our Agreement is enclosed for your records. I will be contacting Jordan Freytag to make the necessary arrangements to begin your work.

We look forward to working with you on this project and should you have any questions, please call me at (808) 538-5804. Contractual questions may be directed to Mr. Newton Sakamoto in the Contract and Purchasing Branch at (808) 538-5805.

Sincerely,

A handwritten signature in black ink, appearing to read "Janell Kim".

Janell Kim
Fiscal & Support Services Administrator

Enclosures

cc: Jordan Freytag, MSB
Paul Kaneshiro, Fiscal Officer, 1st Judicial Circuit
Terri Gearon, Fiscal Officer, 2nd Judicial Circuit
Colin Young, Fiscal Officer, 3rd Judicial Circuit
Danette Wise, Fiscal Officer, 5th Judicial Circuit

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CONTRACT NO. J13080

A G R E E M E N T

THIS AGREEMENT is made this 11th day of December, 2012, by and between THE JUDICIARY, STATE OF HAWAII, by its Administrative Director of the Courts, hereinafter referred to as the "JUDICIARY" and, GILA LLC DBA MUNICIPAL SERVICES BUREAU of 8325 Tuscan Way, Austin, Texas 78754, hereinafter referred to as the "CONTRACTOR".

W I T N E S S E T H

WHEREAS, the Judiciary issued Request for Proposal No. J13080, dated August 2012, as amended by Addendum Number 1, seeking competitive sealed proposals for the COLLECTION OF DELINQUENT ACCOUNTS OWED TO THE JUDICIARY, STATE OF HAWAII (referred to as the RFP);

WHEREAS, the CONTRACTOR has submitted a competitive sealed proposal in response to the RFP;

WHEREAS, the JUDICIARY, through its evaluation committee, has evaluated all proposals received on September 19, 2012 in response to the RFP and that CONTRACTOR'S proposal dated August 28, 2012 (hereinafter referred to as "CONTRACTOR's Proposal") is determined to be the responsible proposal providing the most advantageous and best value to the JUDICIARY; and

WHEREAS, JUDICIARY desires to engage the CONTRACTOR by reason of

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CONTRACTOR'S knowledge, competence, and experience, to fulfill the specified purpose, and CONTRACTOR is agreeable to performing under this Agreement.

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth, the parties agree as follows:

A. SCOPE OF WORK. The CONTRACTOR agrees to provide services for the Collection of Delinquent Accounts Owed to the Judiciary, State of Hawaii in response to Request for Proposal No. J13080, and in strict accordance with the terms and conditions of this Agreement.

It is understood that this Agreement includes as a part hereof the Request for Proposal No. J13080 dated August 2012, as amended by Addendum No. 1, including the General Conditions dated February 2001, the Specifications, and the Special Provisions contained therein (collectively referred to as RFP), as well as CONTRACTOR's Offer dated August 28, 2012 and Best and Final Offer dated November 6, 2012, all of which are attached hereto and made a part hereof as though fully set out herein.

B. COMPENSATION. As compensation for the work to be performed by the CONTRACTOR, the JUDICIARY agrees to the fee schedule and cost associated with collection effort by the CONTRACTOR as set forth in the Fee Schedule in the attached Contractor's Best and Final offer dated November 6, 2012.

Pursuant to Section 103-53, HRS, final payment under this Agreement shall be made only upon receipt of a Hawaii Compliance Express..

C. TERM OF AGREEMENT. The term of this Agreement shall be for a term of five (5) years beginning from the date specified in the Notice to Proceed. The Agreement may be extended for two (2) additional twelve month period upon mutual agreement of the parties.

D. ENTIRE AGREEMENT. This Agreement constitutes the entire Agreement between the parties, any oral or written statements to the contrary notwithstanding. No oral or written communication between the parties which is not expressly included herein, or incorporated by reference, shall be part of this Agreement.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first written above.

THE JUDICIARY, STATE OF HAWAII

By Rodney A. Maile
Rodney A. Maile
Administrative Director of the Courts

Gila LLC, d/b/a
MUNICIPAL SERVICES BUREAU

By [Signature]
Its CEO

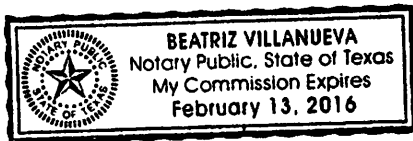
APPROVED AS TO FORM:

[Signature]
Staff Attorney
The Judiciary, State of Hawaii

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STATE OF)
)
)
COUNTY OF)

On this 3rd day of December, 2012, before me personally
appeared Michael E. Epstein, known to me to be the person
who executed the foregoing instrument, who, being by me duly sworn, did say that he/she is the
CFO of
Gila LLC d/b/a Municipal Services Bureau,
a Texas ^{LLC} corporation, that the seal affixed to the foregoing instrument is
the corporate seal of said corporation, that he/she executed the foregoing instrument on behalf of
said corporation by authority of its Board of Directors, and that he/she acknowledged the said
instrument to be the free act and deed of said ^{LLC} corporation.



[Signature]
Notary Public, State of TEXAS
My commission expires: 02-13-2016

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CONTRACT CERTIFICATION

I hereby certify that there is an available balance in the appropriation named below sufficient to cover the obligation of The Judiciary, State of Hawaii under this Contract No.

J13080 with GILA LLC dba Municipal Services Bureau.

Appropriation: _____

Date

N/A
Financial Services Director
The Judiciary, State of Hawaii

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Contract J13080

**CONTRACT ADDENDUM FOR
SECURITY OF PERSONAL INFORMATION**

This Contract Addendum is effective as of December 11, 2012, by
and between the Judiciary, State of Hawaii (JUDICIARY), and GILA LLC dba
MUNICIPAL SERVICES BUREAU (CONTRACTOR), whose address is 8325
Tuscany Way, Austin, Texas 78754

WHEREAS, JUDICIARY and CONTRACTOR executed an Agreement dated
December 11, 2012 (hereinafter "Agreement") for the COLLECTION OF
DELINQUENT ACCOUNTS OWED TO THE JUDICIARY, STATE OF HAWAII;

WHEREAS, during the course of performing services for JUDICIARY,
CONTRACTOR may have access to individual personal information; and

WHEREAS, pursuant to 2008 Haw. Sess. Laws, Special Session Act 10, contracts
that require contractors to access personal information shall include provisions to protect
the use and disclosure of personal information.

NOW THEREFORE, JUDICIARY and CONTRACTOR agree to the following
requirements:

1. "Personal information" means an individual's first name or first initial and last
name in combination with any one or more of the following data elements, when
either the name or the data elements are not encrypted: (A) social security
number; (B) driver's license number or identification card number; or (3) account
number, credit or debit card number, access code, or password that would permit
access to and individual's financial account.

2. CONTRACTOR shall implement administrative, physical, and technological safeguards that reasonably and appropriately protect personal information from unauthorized use or access to such data. Personal information shall be maintained in a secured environment with reasonable security controls, including but not limited to, firewalls, antivirus software, intrusion detection systems, penetration testing, and security patches and upgrades.
3. Any personal information that is electronically transmitted between the JUDICIARY and CONTRACTOR shall be protected by encryption under the Advanced Encryption Standard (AES), FIPS Publication 197, or the most recent acceptable standard that is available.
4. Access to personal information shall be password protected and shall be strictly limited to individuals with a legitimate business need to access the data to perform functions and services required under the Agreement. All individuals given access to personal information shall have been subject to and have passed a criminal history background check that has been designed to reasonably assure the individual's trustworthiness and mitigate the risk of the individual improperly accessing, using, transmitting and/or disclosing personal information.
5. CONTRACTOR shall ensure that all of its employees who are given access to personal information sign an agreement acknowledging that: (A) the personal information collected, used, or maintained by JUDICIARY is confidential; (B) access to the personal information is restricted to the minimum necessary, and (C) use of the personal information is restricted to uses consistent with the services subject to the Agreement.

6. CONTRACTOR shall provide initial and periodic refresher training on security awareness to all employees who have access to personal information, and have procedures for taking appropriate corrective action in the event that security of the personal information is breached.
7. CONTRACTOR shall also conduct periodic security risk assessments of its security procedures to ensure that they are being followed and continue to be adequate to reasonably ensure the security of personal information. Results of such assessments shall be made available to Judiciary upon specific request. CONTRACTOR shall identify the steps for any necessary remediation of unreasonable security vulnerabilities found and provide a timetable to complete the remediation.
8. CONTRACTOR shall restrict the copying, downloading, transmission, or transferring of personal information to other computers, electronic devices, media or any other destination by any means except as necessary to perform the functions and services required under the Agreement. CONTRACTOR shall not copy, download, transmit, or transfer personal information for any purpose, other than what is necessary to perform its contracted services, without the prior consent of the JUDICIARY. Any personal information in electronic form, other than that stored on primary equipment required for the contracted services, that is copied, downloaded, transmitted, or transferred shall be encrypted as provided in paragraph 3 above.
9. CONTRACTOR shall ensure that any agent, including a subcontractor who is given access to any personal information, understands and agrees to the same

terms and conditions set forth in this Addendum. The JUDICIARY shall be notified of all subcontractors given access to personal information.

10. Hawaii Revised Statutes chapter 487N requires businesses and government agencies that maintain and collect personal information to provide notice of any security breach of that information. In the event of any security breach of personal information, CONTRACTOR agrees to notify JUDICIARY within twenty-four (24) hours of discovery of the breach. CONTRACTOR further agrees to comply with all notification actions and/or assist JUDICIARY with all notification actions required by law and by JUDICIARY policy.
11. CONTRACTOR shall not use or retain personal information for any purpose other than to perform services required under the Agreement.
12. Personal information obtained by CONTRACTOR as a result of this Agreement shall be properly disposed of when the Agreement expires or is terminated. CONTRACTOR shall comply with Hawaii Revised Statutes chapter 487R, which requires businesses and government agencies that maintain and possess personal information to take reasonable measures to protect against unauthorized access to or use of the information in connection with or after its disposal.
13. CONTRACTOR shall maintain a record of all disclosures of personal information.

IN WITNESS WHEREOF, the parties execute this Contract Addendum for Security of Personal Information by their signatures, on the dates below.

THE JUDICIARY, STATE OF HAWAII

By: Rodney A. Maile
Rodney A Maile
Administrative Director of the Courts

Date: DEC 11 2012

GILA LLC, d/b/a
MUNICIPAL SERVICES BUREAU

By: [Signature]

Date: 12/3/12

Approved as to Form:

[Signature]
Judiciary Staff Attorney

STANDARDS OF CONDUCT DECLARATION

For the purposes of this declaration:

"Controlling interest" means an interest in a business or other undertaking which is sufficient in fact to control, whether the interest is greater or less than fifty per cent (50%).

"Employee" means any nominated, appointed, or elected officer or employee of the State, including members of boards, commissions, and committees, and employees under contract to the State or of the constitutional convention, but excluding legislators, delegates to the constitutional convention, justices and judges.

On behalf of GILA LLC, d/b/a Municipal Services Bureau, CONTRACTOR, the undersigned does declare as follows:

1. CONTRACTOR (is) ~~(is not)~~. A legislator or an employee or a business in which a legislator or an employee has a controlling interest.*
2. CONTRACTOR has not been assisted or represented by a legislator or employee for a fee or other compensation to obtain this Agreement and will not be assisted or represented by a legislator or employee for a fee or other compensation in the performance of the Agreement, if the legislator or employee had been involved in the development or award of the Agreement.
3. CONTRACTOR has not been assisted or represented for a fee or other compensation in the award of this Agreement by a JUDICIARY employee or, in the case of the Legislature, by a legislator.
4. CONTRACTOR has not been represented or assisted personally on matters related to the Agreement by a person who has been an employee of the JUDICIARY within the preceding two (2) years and who participated while in state office or employment on the matter with which the Agreement is directly concerned.
5. CONTRACTOR has not been represented or assisted on matters related to this Agreement, for a fee or other consideration by an individual who, within the past twelve (12) months, has been a JUDICIARY employee, or in the case of the Legislature, a legislator.
6. CONTRACTOR has not been represented or assisted in the award of this Agreement for a fee or other consideration by an individual who, a) within the past twelve (12) months, served as a JUDICIARY employee or in the case of the Legislature, a legislator, and (b) participated while an employee or legislator on matters related to this Agreement.

CONTRACTOR understands that the Agreement to which this document is attached is voidable on behalf of the JUDICIARY if this Agreement was entered into in violation of any provision of Chapter 84, HRS, commonly referred to as the Code of Ethics, including the provisions which are the source of the declarations above. Additionally, any fee, compensation, gift, or profit received by any person as a result of a violation of the Code of Ethics may be recovered by the JUDICIARY.

DATED: Honolulu, Hawaii, December 5, 2012.

(Date)
CONTRACTOR
By [Signature]
Title CFO

*Reminder to JUDICIARY: If "is" is circled, the JUDICIARY is required, under section 84-15, HRS, to file with the State Ethics Commission, ten (10) days before the Agreement is entered into, a written justification as to why the Agreement was not required to be competitively bid.

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